



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Julian A. Gold, M.D.
Mayor

August 30, 2023

The Honorable Alex Padilla
112 Hart Senate Office Building
Washington, DC 20510

RE: Support S.2224, Stop Predatory Investing Act

Dear Senator Padilla:

On behalf of the City of Beverly Hills, I respectfully urge you to cosponsor S.2224, Senator Sherrod Brown's bill that proposes to tamp down the cost of housing and rents by restricting tax breaks for private equity and large investors that buy homes, often driving up local housing prices.

The Stop Predatory Investing Act will prohibit an investor who acquires 50 or more single-family rental homes from deducting interest or depreciation on those properties. The legislation incentivizes big investors to sell single-family rental homes back to homeowners or nonprofits in the community by allowing such investors to deduct the interest and depreciation for the year in which the property is sold.

S.2224 supports affordable rental housing and the construction of new housing supply by allowing owners to continue to take deductions on properties that are financed using Low-Income Housing Tax Credits or that are newly constructed for rental. The measure, moreover, protects renters who live in existing single-family rental housing by not disallowing deductions for single-family rental homes purchased before enactment.

The National Association of Realtors reported institutional buyers bought over 13 percent of the homes sold in 2021, with purchase rates as high as 28 percent in Texas and 19 percent in Georgia. While small investors own a large number of rental homes, large, institutional investors increased their purchases at the height of the pandemic and have continued to purchase a significant share of single-family homes.

S.2224 is supported by the National Association of Local Housing Finance Agencies, Americans for Financial Reform (AFR), Enterprise Community Partners, the Local Initiatives Support Corporation (LISC), the National Community Stabilization Trust (NCST), the National Housing Law Project (NHLP), and the National Low Income Housing Coalition (NLIHC).

Thank you in advance for your review and consideration of becoming a cosponsor for S.2224.

Sincerely,

A handwritten signature in black ink, appearing to read "Julian A. Gold". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Julian A. Gold, M.D.
Mayor, City of Beverly Hills